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The California Dairy Industry and Home Defense

By Michael Payne, D.V.M., Ph.D. (reprinted courtesy of Dairy Dispatch)

In the wake of European outbreaks of Mad Cow and Foot and Mouth diseases, many California dairy producers are concerned about foreign animal diseases being introduced into the state. The terrorist attacks on Sept. 11 raise the chilling possibility that biological or chemical contamination of the state's herds could be a deliberate event. A number of industry, regulatory and university organizations are collaborating to prevent and mitigate, if necessary, any act of agro-terrorism. Producer education, a system of state-of-the-art veterinary diagnostic labs, and coordinated state and federal emergency response programs are all integral parts of this effort.

The California Milk Advisory Board's Producer Education Program

In the forefront of this preparation is the California Dairy Quality Assurance Program (CDOAP) whose website can be found at www.cdqa.org. Since its conception in 1997, the program's mission has been to offer classroom and on-farm assistance and certification in several areas, including Environmental Stewardship, Food Safety and Animal Welfare. Under the leadership from the California Milk Advisory Board (CMAB) and the California Dairy Research Foundation (CDRF), the CDOAP is a collaborative effort of more than 40 state, federal, university and industry organizations. From the beginning, the program has been industry-guided. While regulatory and university partners have supplied advice, funding and administrative assistance, the only voting members on the steering committee are from organizations that produce and process milk.

The first module, Environmental Stewardship, has already trained more than 1,500 dairy producers and is beginning voluntary third-party dairy facility certifications throughout the state. These evaluations ensure that the evaluated dairy is meeting all state, federal and local environmental regulations.

See **HOME DEFENSE** on Page 3

January Milk Production

Milk production in California for January 2002 totaled 2.8 billion pounds, up 3.1 percent from January 2001. USDA's estimate for U.S. milk production for January 2002 in the 20 major dairy states is 12.3 billion pounds, up 1.8 percent from January 2001. Production per cow in the 20 major states averaged 1,585 pounds for January, which is 36 pounds above January 2001. ☀

Quota Transfer Summary

For January 2002, 2 dairy producers transferred 5,212 pounds of solids-not-fat (SNF) quota. The quota sales averaged \$435 per pound of SNF (without cows), with an average ratio of 2.53. For February 2002, 3 dairy producers transferred 5,033 pounds of SNF quota, averaging \$450 per pound of SNF (without cows), with an average ratio of 2.48. ☀

Minimum Class Prices

Statewide average hundredweight prices

Class	Jan. 2002	February	March
1	\$13.64	\$13.82	\$13.40
2	\$12.93	\$12.26	\$12.26
3	\$12.76	\$12.10	\$12.10
4a	\$11.46	\$11.04	—
4b	\$11.42	\$10.40	—

Federal Order and California Minimum Class 1 Prices

Average Hundredweight Prices

Regions	Feb. 2002	March
Phoenix, Arizona	\$14.30	\$13.97
Southern California	\$13.96	\$13.54
Portland, Oregon	\$13.85	\$13.52
Northern California	\$13.69	\$13.27



California Department of Food & Agriculture

William (Bill) Lyons Jr., Secretary
Robert "Tad" Bell, Undersecretary
Daniel E. Webb, Deputy Secretary
Valerie Brown, Deputy Secretary
Vanessa Arellano, Assistant Secretary

The California Department of Food and Agriculture, Dairy Marketing Branch publishes the California Dairy Review monthly. To subscribe, call (916) 654-1456. Please direct any comments or suggestions for future newsletters to Karen Dapper at (916) 654-1456 or send an e-mail to dairy@cdfa.ca.gov

California Alfalfa: February

Northern California: New sales of all quality alfalfa hay remained light throughout the month. Demand for all quality hay was light to moderate, with supplies adequate. Most movement of hay during the month was on pre-contracted hay.

Southern California: Premium and Supreme new crop alfalfa hay (at \$5.00 to \$10.00 higher) trading was firm with most supplies early in the month going to northern buyers. The end of February showed light supplies of Premium and Supreme alfalfa hay as the area was just starting full production. Retail and Stable hay trading was steady with moderate demand and adequate supplies. Forage mix hay supplies more than adequate and prices were slipping as owners are trying to move current supplies. ☀

Shown below are alfalfa hay sales, deliveries and Supreme quality prices per ton, delivered to dairies, as reported by the USDA Market News Service, Moses Lake, WA.

Alfalfa Hay Sales and Delivery January/February 2002

	January 2002	February 2002
Tons Sold ¹	80,565	40,800
Tons Delivered ²	25,600	31,375

¹ For current or future delivery.

² Contracted or current sales.

California Supreme Hay Prices

Statewide average prices per ton

Area	February 2002 Prices			
	2/1	2/8	2/15	2/22
Petaluma	\$185	\$185	—	—
North Valley ¹	—	\$170	\$165-175	\$172-195
South Valley ²	\$160-175	\$164-180	\$173-180	\$170-182
Chino Valley	—	—	\$158	\$150-156

¹ North Valley is Escalon, Modesto and Turlock areas.

² South Valley is Tulare, Visalia and Hanford areas.

For current pricing information and reports on the FOB market, you may subscribe to the California Alfalfa Hay Weekly Summary by calling (509) 765-3611. Weekly reports are available on the Internet at:

<http://www.ams.usda.gov/marketnews.htm>

Home Defense - Continued

With the infrastructure and funding for the environmental module stable, the CDOAP this year (prior to Sept. 11) turned its attention to the next module, Food Safety and Emergency Preparedness. The same model of classroom education and on-farm assistance that has been successful in the environmental module will be used in the food safety effort. The curriculum for this module is being completed, and its slide sets, videos and handouts will be tested with dairy producers early in 2002.

The module consists of two classes (compared to three in the environmental section) that cover a large number of food safety and animal health issues, including drug and toxin prevention, antibiotic resistance, illegal milk sales, Mad Cow and Johne's diseases. The course will be team-taught by local veterinarians and University of California dairy advisors, and will be made available to every producer in the state regardless of processor or marketing organization affiliation.

Related to Emergency Preparedness, the module's primary message states, "If you are faced with unexpected death or disease in your herd, here is who you can call, 24-hours-a-day, seven-days-a-week for assistance." Included in the curriculum is a "biosecurity" primer on how to prevent introduction of foreign disease into a herd. The module will also explain how (once activated) the state's emergency response system will mobilize industry, university, state and federal resources to reduce loss of animal life and product, and protect consumers from potentially contaminated food.

Expect to hear about this program's availability soon!

Early, Fast, Accurate Diagnosis

Central to the emergency response program is California Animal Health and Food Safety Laboratory System (CAHFS), which may be found on the Web at <http://cahfs.ucdavis.edu>.

CAHFS is a series of five state-of-the-art laboratories located throughout the state, and is staffed by some of the most experienced veterinary diagnosticians in the world. Toxicologists, pathologists and microbiologists all have advanced training, some having military experience. The laboratory system is a collaboration between the University of California and the California Department of Food and Agriculture (www.cdffa.ca.gov).

Of course, the diagnostic laboratories can't begin testing until the samples are sent in. That's why the producer education effort of the CDOAP is so important. Producers and their veterinarians are often the first to recognize an exposure to a toxic or unusual biological agent, and this could easily be the case following an agro-terrorist attack. Veterinarians licensed to practice food animal medicine in California receive training on recognizing foreign animal diseases, a topic frequently offered at veterinary continuing education seminars.



Many dairy farms in California are now displaying this biosecurity notice as a sign of emergency preparedness.

Coordinated State and Federal Emergency Response

In the event that food animals in California are accidentally or deliberately exposed to a toxic or biological agent, fast diagnosis by CAHFS would proceed in tandem with quarantine (applied as needed) of animals and food product. Under leadership from the California Department of Food and Agriculture, this emergency response is now integrated into the state's Office of Emergency Services (OES) planning. As a result of coordinating with OES, needed equipment and human assistance can be mobilized at a moment's notice without worrying about what department or agency was going to pay the bill until later.

The federal agency responsible for the prevention of foreign animal disease into the United States is USDA's Animal Plant Health Inspection Service (www.aphis.usda.gov). In the interest of leveraging resources, communication and collaboration between state and federal veterinarians in California is intense to the point that these disease prevention experts are frequently housed in the same offices throughout the state. In the event that a terrorist attack is chemical rather than biological in nature, the Food Animal Residue Avoidance Databank (FARAD)

would respond. Since 1982, FARAD has maintained the largest database of animal drug and toxin information in the world. Its data describes the time-course of drug and chemical depletion in the tissues and products of animals. Using this database FARAD has, for instance, provided guidance to regulatory agencies following the 1986 Chernobyl disaster, the 1999 California dairy botulism cases, the European dioxin exposure in 2000, and an outbreak of anthrax in California beef cattle in 2001. This is just one of a number of University of California-based programs that help to protect our food supply.

Michael Payne, D.V.M., Ph.D., is program director for the California Dairy Quality Assurance Program, and assistant director of the Western Region Food Animal Residue Avoidance Databank, Department of Environmental Toxicology, University of California, Davis.

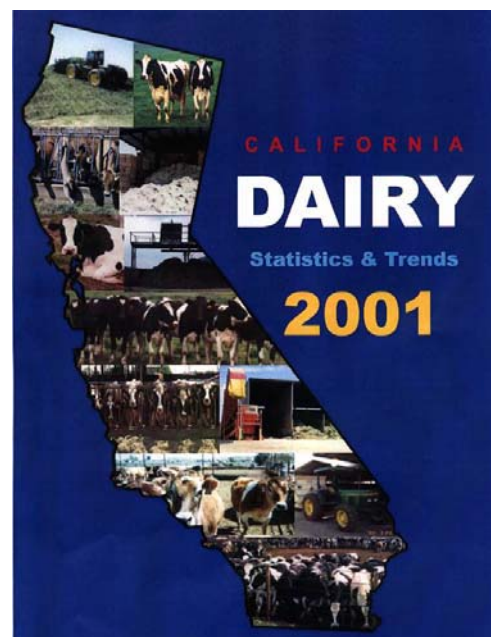
Special Note:

Hilmar Cheese Company has committed \$3 million to its producers who take extra steps to operate environmentally responsible dairies. The company will pay out bonuses to its dairymen who participate in the environmental segment of CDOAP. Dairy producers will receive an average of \$10,000 per dairy from Hilmar Cheese Company for completing CDOAP environmental certification.

Special Note . . . Hot Off the Press . . .

2001 California Dairy Statistics Annual

The 2001 edition of the California Dairy Statistics Annual is in the final production stages and should be available by the time you receive this newsletter. This year's edition has an updated format with expanded narrative sections and easy-to-read graphs and tables, summarizing the dairy industry for the year and comparing to past years. If you would like to have a copy mailed to you, please call 916-654-1456 or send your request by email to: kdapper@cdfa.ca.gov.



Milk Stabilization Administrative Fee Suspended

This is a reminder for producers to check their statements to be sure they reflect the following administrative fee suspension:

The California Food and Agricultural Code authorizes the Secretary of Food and Agriculture to establish a maximum total assessment of two and four-tenths cents (\$0.024) per hundredweight of market milk sold in commercial trade channels to fund the operations of the Dairy Marketing Branch. The current rate of assessment is one and five-tenths cents (\$0.015) per hundredweight, two-thirds of which is assessed to producers of market milk and one-third to handlers of market milk. The Branch has determined that there are sufficient funds available to administer the program without collecting further assessments for a period of time. Therefore, effective for milk produced on or after November 1, 2001, the Secretary has suspended the Milk Stabilization Administrative Fee until such time as the Program's cash balance is drawn down to a two or three month reserve. It is anticipated that the fee will be suspended through April 30, 2002. ☀

European Milk Prices

ZURICH, January 2002 (Reuters) - The following is a comparison of retail milk prices in a number of European countries and California. (Source: Reuters Bureau in various countries, based on industry association or official data and shop price experience)

Country	Per Litre Price	Per Gallon Price
Finland	\$0.71	\$2.42
Austria	\$0.86	\$2.93
Luxemburg	\$0.72	\$2.45
Belgium	\$0.84	\$2.86
Germany	\$0.56	\$1.91
France	\$1.11	\$3.78
Italy	\$1.34	\$4.56
Spain	\$0.69	\$2.35
Ireland	\$0.83	\$2.83
Greece	\$1.04	\$3.54
Portugal	\$0.52	\$1.77
Netherlands	\$0.79	\$2.69
California	\$0.85	\$2.90

Getting to Know Us . . .

In response to reader request, the Dairy Review will highlight a Branch employee each month - in an effort to help you connect faces with voices, and help you get to know us better!

This month we feature Eric Erba, Senior Agricultural Economist for the Dairy Marketing Branch.



Eric Erba

Eric was born in Petaluma, California, but grew up in Davis. Throughout high school, he was active in FFA activities. He was a state finalist in forestry judging and showed sheep for four years at the Yolo County and California State Fairs.

Eric furthered his interest in agriculture by attending the University of California at Davis, majoring in Animal Science. As a junior at UC Davis, Eric was a member of the Collegiate Livestock Judging Team. After he received his Animal Science Bachelor of Science degree in 1988, he continued his studies at UC Davis, completing a Master of Science degree in Animal Genetics in 1990. To complement his Animal Science training, he pursued a Ph.D. from Cornell University in Agricultural Economics with a specialty in Dairy Market Policy in 1997. While working on his doctorate, Eric served as the lead for several dairy-related research projects, including efficiencies in milk hauling, costs and productivity in fluid milk plants, and appropriate Class 1 price levels under federal milk marketing order reform.

Eric serves as a Senior Agricultural Economist and performs quantitative analyses to assist the Secretary in administering the California Milk Marketing Program equitably. Currently, he is cross-training in the Milk Pooling Branch for the next year to gain further knowledge and expertise. Eric has been with the Department since graduating from Cornell in 1997.

Eric resides in Davis with his wife Angela and their two children, Matthew (2 1/2 years) and Tyler (6 weeks). ☀

Hundredweight Pool Prices

Month	Quota	Overbase
August '00	\$13.02	\$11.32
September	\$13.31	\$11.61
October	\$12.29	\$10.59
November	\$12.69	\$10.99
December	\$12.98	\$11.28
January '01	\$12.73	\$11.03
February	\$13.04	\$11.34
March	\$13.88	\$12.18
April	\$14.65	\$12.95
May	\$15.70	\$14.00
June	\$16.46	\$14.76
July	\$16.35	\$14.65
August	\$16.70	\$15.00
September	\$16.95	\$15.25
October	\$14.71	\$13.01
November	\$13.67	\$11.97
December	\$12.93	\$11.23
January '02	\$13.18	\$11.48

2001 Milk Mailbox Prices in Dollars per Hundredweight

	May	June	July	August	Sept.	October	November
California ¹	\$14.54	\$15.23	\$15.13	\$15.54	\$15.95	\$14.06	\$12.96
USDA ²	\$15.29	\$15.95	\$15.92	\$16.32	\$16.86	-----	-----

¹ California mailbox price calculated by GDFA.

² All federal milk market order weighted average, as calculated by USDA.

